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FEDERAL COURT BARS ALABAMA WOMAN FROM PREPARING FEDERAL TAX RETURNS

Montgomery Return Preparer Allegedly Claimed False Tax Credits on Customer Returns

WASHINGTON – A federal court has permanently barred Aurelia Sanderson Johnson from preparing federal tax returns for others, the Justice Department announced today. The civil injunction order, to which Johnson consented, was signed by Judge Mark E. Fuller of the U.S. District Court for the Middle District of Alabama. The court also ordered Johnson to provide a list of her customers to the government and to mail a copy of the court order to each person for whom she prepared a federal income tax return since Jan. 1, 2007.

According to the government <u>complaint</u>, Johnson, who resides and does business in Montgomery, Ala., employed at least two schemes on the returns she prepared for her customers in order to obtain false or overstated tax refunds. In one scheme, Johnson allegedly prepared returns reporting fictitious income or improperly reporting individuals as "qualifying children" in order to inflate or generate false earned income tax credits. In the second scheme, Johnson allegedly fabricated or inflated business expense deductions on her customers' returns in order to reduce their taxable income and generate bogus refunds of withheld taxes.

Return preparer fraud is one of the Internal Revenue Service's "Dirty Dozen" tax scams for 2011. In the past decade, the Justice Department's Tax Division has obtained injunctions against hundreds of tax fraud promoters and unscrupulous tax return preparers. Information about these cases is available on the Justice Department website.